

## COMMITTEE ON FINANCE

**May 8, 2001**

**6:30 PM**

Chairman Cashin called the meeting to order.

Chairman Cashin called for the Pledge of Allegiance, this function being led by Alderman Thibault.

A moment of silent prayer was observed.

The Clerk called the roll.

Present: Aldermen Gatsas, Levasseur, Sysyn, Pinard, O'Neil, Lopez, Shea, Vaillancourt, Pariseau, Cashin, and Thibault

Absent: Aldermen Wihby, Clancy and Hirschmann

Appropriating Resolution:

"A Resolution appropriating to the Manchester Transit Authority the sum of \$705,000 for the Fiscal Year 2002."

On motion of Alderman O'Neil, duly seconded by Alderman Thibault, it was voted to read by title only, and it was so done.

Presentation by MTA.

Chairman Cashin stated, Mr. Clay, it is my understanding that the Mayor has appropriated \$705,000.

Mr. Clay replied that is correct. The \$41,640 that we got in addition to last year in the Mayor's budget still gives us a shortfall of the mandatory increases that we have seen for this next year, mainly our health insurance, fuel cost increases, vehicle and building insurance, payroll items, etc. We are looking at an increase of around \$216,500. Now when we look at that, because of the Federal Transit share, we are asking the City to pick up half of that. The other half will be picked up by the Federal Transit Administration. \$41,640 was already appropriated under the Mayor's budget and we are asking that it be increased by an additional \$66,580. That will bring us up to a total of \$771,580 from the City.

Alderman Gatsas asked do we have any financial reports for us to look at here.

Chairman Cashin answered you have a couple of letters I believe.

Alderman Gatsas asked we have two pieces of paper and they want us to make a decision on \$771,580.

Chairman Cashin stated it is a resolution. What you do is allocate like you do with the School Department, X number of dollars. My understanding is the Mayor, in his budget, put \$705,000.

Alderman Gatsas replied I know but even the School Department gives us a budget. Does anybody have a budget?

Alderman Vaillancourt asked we don't have to vote on this tonight do we.

Chairman Cashin answered no.

Deputy Clerk Johnson stated what we did with the Enterprise situations and the MTA is did put the resolutions on or did intend to put the resolutions on the Finance Committee's agenda to be acted on to be referred to the Board to layover at some point in time. Now you can table it this evening and take action on another evening if you want, but we intend that the Enterprises and MTA would be acted on separately because they are separate resolutions. They are not part of your operating budget. MTA is considered a subsidy and has always been presented to the Board as basically a single item on a resolution. I am not sure what information they provide to the Mayor ahead of time. You might ask Wayne about that.

Chairman Cashin asked but we don't have to vote on this tonight.

Deputy Clerk Johnson answered no it could be tabled and brought up at another meeting of the Finance Committee. We would just put it on an agenda for next week to come back.

Chairman Cashin asked can we let Mr. Clay make his presentation and then we can ask questions.

Mr. Clay stated this is what we are asking for. I also gave you another piece of paper this evening because I was requested last Friday to try to appropriate some money for the civic center parking shuttle. Again, going the route of going through this Board to get some money it can be leveraged with FTA funds on a 50% basis. We are asking on that separate sheet of paper for an additional

\$20,000 for the shuttle service for the civic center. That would be above the \$771,000.

Alderman Levasseur asked are you expecting an increase in revenue from the shuttle service or is that going to be for free.

Mr. Clay answered as far as we know it would be free.

Alderman Vaillancourt stated I have two areas of questions. Let's deal with the civic center after the other area. So for the increase that we are talking about to get you up to \$771,580, have you done any analysis as to how much you would have to raise your fees in order to make up for that money. In other words, how much are you charging now a ride per month and have you done an analysis so you don't get that money. These are basically user fees and I realize that people don't want to pay anymore for riding the bus but it is a service and it should perhaps be paid for with that fee. Without making an editorial comment, have you done that kind of analysis to make up the money without taxes? Your fee would have to go from what to what?

Mr. Clay answered I have not done that type of an analysis.

Alderman Vaillancourt replied I would certainly like to ask for that if it would be a reasonable request. What is your current fee?

Mr. Clay answered our current fee is 90 cents for adults and half fare for seniors. Phil did a quick look-see and we would probably have to go up to \$1.80+ a rider.

Alderman Vaillancourt asked you would have to double your fees.

Mr. Clay answered yes to cover the complete shortfall.

Alderman Vaillancourt stated I don't mean that you would get no subsidy, I am just saying without an increase from the Mayor's budget. You are saying you would have to double your fees to make up that much?

Mr. Clay responded he did it on the total amount.

Alderman Vaillancourt replied well when you have the data maybe we could get that. Now for the second phase of my question regarding the civic center and the \$20,000. Before we accept that, I think we ought to know what we are getting, how many days the shuttle bus will be operating, from what point to what point. Do you have all of that written somewhere?

Mr. Clay responded I don't believe that information is available.

Alderman Vaillancourt asked then how did you come up with \$20,000 as a cost.

Mr. Clay answered it is looking at basically 70 events with two buses working four hours per event.

Alderman Vaillancourt asked going from where to where.

Mr. Clay answered that has not been determined. It depends on where the parking lots are. The more people at the event, the further away they are going to have to park.

Alderman Vaillancourt stated so I assume there will be some kind of detailed plan before we have to vote on this.

Mr. Clay replied we are working on that with the parking group right now.

Chairman Cashin asked the \$20,000 you are requesting is an estimate.

Mr. Clay answered yes and that is based on the fact that we have three or four months...well it is not even going to start until November.

Chairman Cashin asked and until the parking committee tells you where the parking lots are going to be, you can't really determine the cost.

Mr. Clay answered right. We have made up routes that take in every parking lot they have given us but it all depends on what the event is. We are still working that out in the parking committee for the civic center.

Chairman Cashin asked what was your subsidy last year.

Mr. Clay answered \$663,330.

Alderman Thibault asked the \$20,000 additional that you are asking us for, you are also looking for the FTA to put in about \$20,000 right.

Mr. Clay answered yes. If we take it and do it through this type of an arrangement, the FTA does pick up half of it. If we were to take it out of parking meters, the whole thing would come out of parking meters.

Alderman Shea asked how much do you charge the School Department for bussing. Do you have a budget with them, Don?

Mr. Clay answered that is a separate budget.

Alderman Shea asked have you increased that budget at all or have you asked for additional money because of the increase in fuel or because of breakdown of vehicles or maintenance of vehicles. In other words, are you charging the School Department more money?

Mr. Clay answered we are at the end of this contract and we will be talking with the School Department about a new contract. We already have talked with Norm Tanguay and we are not sure where we are. We are looking at \$5 or \$6 per bus per day.

Alderman Shea asked are you going to increase the amount of money that you are going to be charging the School Department.

Mr. Clay answered yes.

Alderman Shea asked have you projected that into this particular situation here. In other words, you are saying that the fuel costs have increased 75% now obviously the fuel cost for the School Department has increased and you are saying that the fuel cost for regular transportation has increased proportionately 75%? You don't run as many buses...

Mr. Clay interjected the budget we are talking about right now is strictly for transit. It has nothing to do with the School Department. The two are not intermingled at all. They are completely separate.

Alderman Shea replied I realize that but do you use the same school buses all of the time. You don't use any of the school buses for any other runs?

Mr. Clay responded that is correct.

Alderman Shea stated the health insurance premiums you said have gone up 15.3%. Are you part of the City's health insurance program or are you separate?

Mr. Clay answered we are separate but we have the Blue Choice like you do.

Alderman Shea asked but you are separate.

Mr. Clay answered that is correct.

Alderman Shea asked have you discussed this with them or is this like a ballpark figure that you are throwing out here.

Mr. Clay answered this is a definite figure.

Alderman Shea asked when the shuttle service for the civic center...if you were to and this is some kind of a clarification but you are going to take them from the parking lot to the civic center and then you are going to take them when the event is over back to the parking lot. Is that how that shuttle service is anticipated?

Mr. Clay answered yes, that is how it is supposed to work. Now all of the bugs aren't worked out of it as far as that committee is concerned, but the biggest problem we see is everybody goes into the civic center in an hour, an hour and a half or two hours and everybody comes out in 15 minutes. There are going to be some things to work out.

Alderman Lopez stated sitting on that committee, I don't think a final decision has been made because Jay Taylor hasn't got the committee to make a presentation to the Civic Center Committee first of all. In committee it was debatable as to whether the shuttle buses would really work in a situation of 6,000 or 8,000 people. It might serve no purpose so until that decision is made when the report goes to the Civic Center Committee, I don't think we can do anything but to follow-up on Alderman Vaillancourt's question, the \$66,580 that you are requesting as to how much of an increase would it take for the \$66,580 to bring you up to the \$771,000 is an important issue. What increase could you make in order to make that \$66,000 up? I think that we need that particular information before we move forward. When is the last time you had an increase on the bus service?

Mr. Clay answered I want to say it was 1992 or 1993.

Alderman Lopez replied if you could provide that information to us so we can make a decision somehow that would be appreciated.

Alderman Gatsas asked how can you possibly come before this Committee and not bring any financial information and look for any Aldermen to give you one nickel. Do you think that we go through this exercise with other departments not wondering where the money is being spent that we give you? I mean \$700,000 is a lot of money.

Mr. Clay replied we have never brought that information before this Board before.

Alderman Gatsas responded if you would like, Mr. Clay, I will go down to my car right now and in my trunk I would be willing to bet you that I can find you last year's financial statement.

Alderman Lopez stated why don't we reschedule the MTA.

Deputy Clerk Johnson asked could we get a motion to table the resolution.

Alderman Vaillancourt stated if we get a motion to table, we can't discuss it. Could I just make one other comment? The information that Alderman Lopez and I want can be arrived at very simply by a mathematics formula if you know how many rides you have – 100,000? I don't know how many. It is a simple problem of division. If you tell me you have 100,000 rides at 95 cents then we know if you went up 10 cents you would raise an extra \$10,000. Can you tell me how many people rode paying 90 cents a person and how many...it can be done very simply I think? I don't have a calculator like Alderman Gatsas either.

Alderman Shea stated I think it probably would be advisable to, when you do return, to explain to this Committee how you would handle the MTA if, in fact, you are only given what the Mayor has put in his budget. I think that is appropriate because then we would like to know exactly what would happen and that would be in the best interest of everyone.

Alderman Thibault asked you sat with the Mayor and went over this right.

Mr. Clay answered we did a presentation to the Mayor but we didn't have a dialogue on it afterwards.

Alderman Thibault stated I think that what Alderman Gatsas is asking is not an unreasonable request. If you went with your last year's amount and then showed where some of these increases are coming and how come that is happening that would be good information and we would be better able to decide what we can do.

Mr. Clay replied I can do that.

Alderman Gatsas asked what was the increase in administrative wages.

Alderman Lopez moved to table the appropriating Resolution. Alderman Thibault duly seconded the motion.

Chairman Cashin asked what do you want him to come back with. Do you want him to come back with a breakdown?

Alderman Gatsas answered I want a line by line budget.

Deputy Clerk Johnson asked the same information as the rest of the departments. Is that what you are looking for?

Alderman Gatsas answered yes.

Deputy Clerk Johnson stated the Transit Authority would have the same type of budget but it would be on a large scale. Are you looking for a breakdown of simply what they are asking for from the City or do you want their entire budget and what of those percentages are broken down from the City?

Alderman Gatsas replied I would like to see the entire budget that they have with appropriated revenues and expenditures.

Alderman Lopez asked is the resolution a portion of the City's...

Deputy Clerk Johnson interjected \$705,000 is a portion of the MTA's budget. It is not their entire budget and that is what I wanted to clarify. I don't want them to come back with a breakdown on the \$705,000 and somebody say I don't know what their overall budget is so I still can't make a decision. I just want to make sure that Mr. Clay is clear as to what he has to come back with. Alderman Gatsas is asking for their full budget with all revenues, which would include the \$705,000 plus everything else.

Alderman Lopez stated we have no control over their entire budget. We only have control over the \$705,000 that they want from us. By getting the entire budget what will that do?

Alderman Gatsas replied do you know what line items this \$705,000 is going into because I certainly don't.

Alderman Lopez responded well that is what we need to know, just what the \$705,000 is going to.

Alderman Gatsas replied no what we need to do is see their entire budget because if they are telling us they want \$100,000 for wages and their total wage package is only \$90,000 then we don't know that. I would like to see their entire budget line by line to see what their expenses and revenues are.

Deputy Clerk Johnson asked did you also want a breakdown of where they intend to expend the \$705,000.



Alderman Gatsas answered yes, that is what I would like to see.

Chairman Clancy asked is that what the Board is looking for.

Alderman Shea stated there is an intermingling of situations here and I think that we, as a Board, have to see what the relationship is between how much time may be spent on bussing for schools versus how much time is spent on duties that relate to public transit. I think it is very important that we get a full picture. I totally agree with Alderman Gatsas.

Alderman Vaillancourt stated I would also like to have the data on how many riders in each category and I don't know if you have monthly fares or anything but a breakdown of that.

Alderman Thibault stated I just want to make sure that some of these guys understand that the school bus contract has nothing to do with the MTA. It is strictly a contract that you have with the School Department.

Mr. Clay replied yes. Nothing is intermingled into the transit end of it.

Alderman Gatsas stated I want to see where the revenue is coming from and where the expenditures are. I want to see if there is anything charged to administration for the School contract or not.

Mr. Clay replied our time is allotted to both sections.

Chairman Clancy asked, Mr. Clay, do you understand what we are looking for.

Mr. Clay answered yes.

Chairman Cashin asked do we have a date when we want them to come back.

Deputy Clerk Johnson answered I don't have the calendar but I will get a hold of Don tomorrow to see how long it is going to take him to get the information.

Chairman Cashin stated in defense of the MTA, this is generally the way they come in. It is an appropriating resolution that is generally just one figure. I guess we are just looking for more information.

Chairman Cashin called for a vote on the motion to table the appropriating resolution. There being none opposed, the motion carried.

Alderman Gatsas asked the management courses that this Board asked the MTA to attend, where are we with that.

Mr. Clay answered we had some courses down at Springfield College that were cancelled. The classes for April and May were cancelled through Human Resources. We started working with Mark Hobson on some issues and now he is no longer there and we are going to be working with Maureen on our own total quality management. We have done some in-house work and we have some committees that are working towards some good goals. Things are much better down there then they had been for some time. They are much better.

Alderman Gatsas stated so basically management has really...the miscellaneous funds that you have available are still there...

Mr. Clay interjected some of them are.

Alderman Gatsas asked you haven't brought anybody in as this Board asked you to do so the last time we had this conversation was the first part of February and you said you were working on it. Have you gone to one class anywhere?

Mr. Clay asked me personally, no.

Alderman Gatsas asked has Mr. Webster gone to any.

Mr. Clay answered yes he has.

Alderman Gatsas asked where.

Mr. Clay answered at Springfield College through Human Resources.

Alderman Gatsas stated you told me they were cancelled.

Mr. Clay replied April and May's were cancelled. He went to the ones before that before they ran out of funds and cancelled the classes.

Alderman Gatsas asked before who ran out of funds.

Mr. Clay answered as far as I understand it, the Human Resources Department ran out of funds so they had to cancel those classes and they won't start up again until September.

Alderman Gatsas asked how many classes did Mr. Webster attend.

Mr. Clay answered four.

Chairman Clancy asked, Mr. Tawney, did you in fact run out of funds.

Mr. Tawney answered yes. I did not want to overspend my budget so I did cancel some classes and reschedule them for July.

Alderman Gatsas stated they have funds to go to those classes.

Alderman Vaillancourt replied that brings up another subject. Did you ask the Mayor if he could find funds for these? I think it was deemed important.

Mr. Tawney responded no I didn't.

Chairman Cashin stated evidently there was a problem and the funds weren't available so they cancelled the classes and we can discuss this at a later date. Are there any further questions of Mr. Clay?

### **City Solicitor**

Solicitor Clark stated as you can all see from the budget prepared by the Mayor, my department is basically made up of salaries and benefits. There are some operating expenses, which are a small portion of the budget. The only other large item in the budget is the reserved funds in CGL and worker's compensation. We have reviewed the proposal by the Mayor and in our opinion we are able to live within his proposed budget as it exists today. We are not asking for any further funds.

Alderman Pariseau stated your department requested \$996,025 and the Mayor's recommended amount is \$1,405,691.

Solicitor Clark answered correct.

Alderman Pariseau asked could you clarify that situation for me.

Solicitor Clark answered sure. In prior years, the reserve funds for worker's compensation and CGL weren't contained in the operating budget of the department. This year, the Mayor's Office when they revamped the way budgets are prepared to show each benefit allocation per department, they put the reserve funds that are administered through the Risk Management Department in our budget. I think that is approximately \$500,000. If you take that out it equals our request.

Alderman Shea stated I have a couple of questions. The first one is, could you tell me how much your office spent on contractual services in the year 2000 and 2001 so far?

Solicitor Clark asked what kind of contractual services are you looking for.

Alderman Shea answered when you have to hire any kind of attorneys to handle any kind of business that your office doesn't handle.

Solicitor Clark stated out of my budget outside attorneys for specialized projects are handled under the incidentals account. That was budgeted at \$35,000 last year and we currently have a balance of \$26,000.

Alderman Pariseau asked what line are you on.

Solicitor Clark answered 905. That line item is also used for court fees and witness fees. It is a general legal expense.

Alderman O'Neil stated I am just trying to figure out where these revenues...is the difference \$409,000. I don't know if we call it revenues but the difference in...is that the \$427,000 that is on Page 7 of the budget book. I don't know if you have the same books as us.

Solicitor Clark asked the revenues projected in my department.

Alderman O'Neil answered I am looking for the difference in the reserves. So that reserve is \$427,000?

Solicitor Clark replied no that is a different number than the reserve.

Alderman O'Neil stated in the book I have I can't find the reserve. I see the difference between \$996,000 and the \$1.4 million.

Solicitor Clark replied if you look in the general expenditure budget prepared by the Mayor's Office and line item 214 and 521, those are the reserves for worker's compensation and CGL.

Alderman O'Neil stated there has been some discussion on and off this year about transferring a prosecutor...is that reflected in your budget at all. I know it hasn't come close to a vote or anything but...

Solicitor Clark interjected are you talking about the juvenile prosecutor.

Alderman O'Neil replied yes.

Solicitor Clark stated that has been backed out of the budget. It is not in my budget.

Alderman Lopez asked on the \$127,000 chargeback as revenue, how did we come up with that number as revenue.

Solicitor Clark answered that has to do with the administration of the insurance program.

Alderman Levasseur asked when you look at your expenditures for books, would it be more prudent or would it cost you a little bit more money but save you a lot more time if you were to go with something a little more sophisticated like a service by computer. I can't imagine how you can get any work done that way. I know you guys have been busy with a lot of stuff these last couple of years. Have you done an analysis at all on whether it would be better to go with Westlaw or maybe MICHI on the computer?

Solicitor Clark replied we haven't done that this year but we have done it in years past and we found it to be cost prohibitive for an office of our size to go to a fully computerized library. We have worked out arrangements...when we were in the Plaza with the Sheehan firm and they allowed us to use their Westlaw research. We also have an arrangement with the McLane firm if we need library services we can go over there.

Alderman Levasseur asked so are you saying that it is actually cost prohibitive so you are not going to ask for it.

Solicitor Clark answered I am not going to ask for it now. We will continue looking at it in the future if costs come down for computerized research. We are now on the Internet so we do have some research tools. We also belong to various associations either ad hoc or formalized with other city attorneys with whom we exchange information.

Alderman Gatsas stated I took your \$416,600 and divided it by 9 and multiplied it by 12 for an annual figure and I am coming up with \$555,466.

Solicitor Clark replied I am not sure I understand where you are.

Alderman Gatsas responded on Page 7.

Solicitor Clark replied I don't have that page.

Alderman Gatsas asked, Chairman Cashin, can you do me a big favor and tell all of the other departments that come in here that they need to use the pages from this book so we are all on the same page.

Solicitor Clark answered we didn't get the book.

Chairman Cashin asked you didn't get the budget book that we have.

Solicitor Clark answered no.

Deputy Clerk Johnson stated they didn't get the book, they got copies of individual pages from it as I understand it.

Solicitor Clark replied we were given copies of individual pages. We didn't get the full book.

Alderman Gatsas stated the \$416,600 if I take that and divide it by 9 and multiply it by 12, regular salary, it comes out to \$555,466 on an annualized basis. The revised budget has \$617,944. As you will see, it is about a \$62,000 difference.

Solicitor Clark replied there is some difference.

Alderman Gatsas asked why.

Solicitor Clark answered there has been turnover in the office. We had Evelyn King who is high on the pay grade scale leave the office and another attorney left the office. We have hired at the lower end of the scale so we are now paying less in salaries than we projected.

Alderman Gatsas asked so the revised budget of \$617,944 was really an accommodation for the two higher paid salaries.

Solicitor Clark answered when the budget was passed last year, we did not anticipate any turnover. There was turnover during the year. The salaries would have been at a higher pay grade than they are now.

Alderman Gatsas asked so you probably could live within your budget of \$617,944 if that was a carry forward to this year.

Solicitor Clark answered I don't believe so because they also added the position of safety officer last year, which is a little bit different. I would have to go back and look.

Alderman Gatsas stated I think that was in your budget last year. When we passed your budget we put it in there. We included that number. \$40,000 I want to say it was.

Solicitor Clark asked are you asking me if I could live with \$617,9444 this year.

Alderman Gatsas answered yes.

Solicitor Clark replied no I could not. The \$638,000 is the number it comes out to.

Alderman Gatsas stated if the number annualized is \$555,466, that number has to include at some portion the two heavily compensated people along with the two lower ones that you have brought in since or did you have a vacancy in between.

Solicitor Clark replied there was a period of time when the positions were vacant.

Alderman Gatsas asked for how long.

Solicitor Clark answered I believe there was at least a two month period when we didn't fill both positions and we tried to handle it in house until we could get the positions properly filled.

Alderman Gatsas asked so if I gave you an additional \$45,000 to bring you to a total of \$600,000 and gave you 3% on the \$600,000, you would be at about the \$117,000 level.

Solicitor Clark answered without seeing your calculations I can't answer that but I can tell you that I only have a department of 12 people and if I take their weekly paychecks and multiply it by 52 it comes out to \$638,000.

Alderman Vaillancourt stated that leads to another question then. The Mayor's budget number was \$638,480 for that salary account and your budget request was \$705,972. Was that for an additional position that you decided was not totally necessary?

Solicitor Clark replied no. When we originally prepared the budget there was discussions of transferring the juvenile prosecution and a clerical position into the office and those have since been backed out.

Alderman Gatsas stated the juvenile prosecutor that is in the Police budget isn't it or don't they use one of their people.

Solicitor Clark replied they use one of their officers to prosecute, yes.

Alderman Gatsas asked didn't we have this conversation last year about this time about whether we could reduce the cost from the Police side because of officers sometimes not knowing exactly when they are going to court.

Solicitor Clark answered it has been discussed a couple of times over the last two or three years.

Alderman Gatsas stated and at that time we didn't have the time to look into it because it sounded like it was much more cost effective to do it through your department than to have police officers waiting and not really knowing if they were going into the court...

Solicitor Clark interjected those are two different items. You are talking about witnesses and prosecutors. The police officer prosecutors aren't waiting, they are doing their job. Witness fees are another issue all together.

Alderman Gatsas stated but police officers could be sitting in a courtroom waiting for the juvenile for three or four hours before the hearing, correct.

Solicitor Clark answered there is that potential.

Alderman Gatsas stated and we are paying them on an hourly rate.

Solicitor Clark replied correct.

Alderman Gatsas stated and I think when we looked at that last year the discussion was that we didn't have the time to make the decision in last year's budget so it was going to be prepared for this year and it looks like that is what you did. The difference of about \$70,000...and I think on the Police side the expense is somewhere around \$150,000.

Solicitor Clark replied no, you have it confused. Whether my office prosecutes juveniles or the Police Department prosecutes juveniles, those officers are still going to be sitting in the courtroom. We are talking about the prosecutor. Those officers sitting there getting paid an hourly fee are the witnesses.

Alderman O'Neil stated if I recall, we did have a discussion about that but I believe it was when we were talking about overtime in the Police Department and trying to cut down on overtime. Now there was talk about was there a better way of coordinating...you know a case gets settled on a Thursday afternoon and the person pleads guilty and there is no coordination with the Police Department and



the officers come in for a minimal of four hours of pay. I don't believe that is what we are talking about here. If I recall, Alderman, it was more an overtime issue where that discussion came up and you are right we did talk about it but it kind of got lost in the shuffle throughout the year.

Solicitor Clark replied not quite. The Police Department and our office has worked on a program of notifying witnesses when cases have been settled to try and save on witness fees.

Alderman O'Neil asked are there any numbers to show results one way or the other or is it too early.

Solicitor Clark answered it is a fairly new program and those numbers would have to come out of the Police Department. I wouldn't have them.

Alderman Lopez asked the \$638,000, the juvenile officer's money is not in there and you requested \$705,000 but you got \$638,000 in the Mayor's recommended. I know that the item has been tabled in the HR Committee. So there is no money in that \$638,000 is that correct?

Solicitor Clark answered correct.

Alderman Levasseur stated I am looking at line 905 and can you explain to me incidentals. Incidentals seem like a pretty high number.

Solicitor Clark replied incidentals is a general legal fund that is used by the office to cover payment of outside counsel in specialized cases and to pay for court fees, witness fees, subpoenas, printing of briefs and general research. It is the fund that is used to run the court side of the office basically.

Alderman Levasseur stated I have to go back to Alderman Gatsas' first question concerning the revised amount. Alderman Gatsas, what did you come up with for a number for the 10 months on the actual salary.

Alderman Gatsas stated the actual for 12 months is \$555,460.

Alderman Levasseur stated when I look at the difference in the amount of money going up to \$638,000 it looks like you are going to have about \$82,000 extra but you said that you hired two more people at a lower rate and you are at full complement right now.

Solicitor Clark replied we are at full complement but the positions during the year were vacant for a period of time.

Alderman Levasseur responded right but assuming they hadn't been vacant you would have still come in at the \$617,000 isn't that correct. That was what your revised budget number came in at right - \$617,944?

Solicitor Clark replied correct.

Alderman Levasseur stated and then you have an increase to \$638,480 but you said that you have two people hired at a lower salary and you are going to have an \$82,000 jump in those numbers.

Solicitor Clark replied it is only a \$15,000 jump in the numbers from \$617,000 to \$638,000.

Alderman Levasseur stated I understand that but we are looking at what your number is going to come in at right now at \$555,460. Isn't that what it is going to end up coming in at at the end of the year?

Solicitor Clark replied I don't have those numbers. I would have to go back and check and I can send this Board a list of each position with the pay grade and salary per week.

Alderman Levasseur stated I understand where you went with the number. You went with \$617,000 and then you just added \$20,000 to it and came up with the \$638,000.

Solicitor Clark replied no we didn't come up with the \$638,000 just by adding \$20,000. We came up with it by taking each position at their weekly pay salary and multiplied it by 52 and then added it all together.

Alderman Levasseur responded I know it came out to that number. I wasn't saying you just added \$20,000. You still haven't come out to the \$617,000 this year though.

Solicitor Clark replied I won't.

Alderman Levasseur asked you won't so that means you are going to have some extra money.

Solicitor Clark answered yes there will be some monies turned back in at the end of this year.

Alderman Levasseur asked there will be but you don't know what that amount is going to be.

Solicitor Clark answered I could get that to you.

Alderman Levasseur stated let's assume that the number comes back at \$575,000 then your adjustment in this budget would be...you would still add in the amount, let's say the \$575,000 number on July 1. Then you would just do the same calculation that you did to get to the \$638,000 number but it most likely would be less.

Solicitor Clark replied no.

Alderman Levasseur asked why wouldn't it be less.

Solicitor Clark answered we are looking at actuals for the year. If you take a body at a certain pay grade and multiply it by 52 that is the annual salary and you add the 12 annual salaries together and it comes out to \$638,000.

Alderman Levasseur stated I understand that but you made that assumption based on your revised budget of \$617,000.

Solicitor Clark replied no I did not. I made it based upon the pay grade based upon the City's pay schedule and what those employees will be at on July 1, what merit steps they may have during the year and what the cost of living increase is.

Alderman Levasseur responded okay so you just used the salary number from your 12 employees but you still don't have that number for us. That makes no sense.

Solicitor Clark asked I don't have what number for you.

Alderman Levasseur answered the number I am asking for is what your actual is.

Alderman Gatsas stated their actual weekly wage is \$11,508 times 52, which is \$598,416, which means you are going to turn back about \$20,000 from last year's budget. If I take 3% on top of that, it is going to bring you to \$616,368.48.

Solicitor Clark replied and then you add 3.3% on top of that.

Alderman Gatsas stated that is including the 3%.

Solicitor Clark stated the total is 6.3%.

Ms. Descoteaux stated he asked what their weekly payroll is and it is \$11,508.56 so he is taking that and multiplying it by 52 and then he is adding the 6.3% for an increase for next year.

Alderman Shea asked what was the average increase in your department. 6.3%?

Solicitor Clark answered under the City's pay schedule the increase if you make your merit step is 3%. However, the Board has also under its pay system granted a cost of living increase to every City employee and I believe that is 3.3% this year.

Alderman Shea asked so the total amount is 6.3%.

Solicitor Clark answered correct but it is not necessarily 6.3% for every employee because it depends on when you get your merit increase.

Alderman Shea stated I know that the teachers are getting 4% this year but the others are getting 6.3%. Needless to say, what I am asking is if you were to...have you calculated if you have to take a 1%, 2% or 3% cut where you would take that off of your budget?

Solicitor Clark replied we have analyzed our budget and based on the way the City has operated our department, it is top heavy in salaries and benefits. Any significant reduction in the budget will have to come out of salaries and wages. There is very little leeway in my budget.

Alderman Shea asked but if you had to take a 1% reduction you would have to lay-off someone is that what you are saying.

Solicitor Clark answered we would have to analyze that. I am not saying I would have to lay anybody off but I am saying that it would have to come out of salary and wages somewhere.

Alderman Shea asked what would 1% of your budget be.

Solicitor Clark answered it depends on what number you are using. If you are using the \$1.4 million that the Mayor is giving me it is \$14,000.

Chairman Cashin stated just to clarify one thing, Alderman Shea, my understanding is if you are in the top step as a teacher it is 4% but if you are not you get a step plus so it is equals out to around 6%. Also, Tom in order to meet the merit increase they have to meet certain goals and objectives right and if they don't meet them they don't get the merit increase?

Solicitor Clark replied that is correct.

Alderman Vaillancourt stated you mentioned that your budget was top heavy with salaries but that is the case with almost every department in the City correct.

Solicitor Clark replied I believe it is, yes. My department is more of a service department though. We don't have a large operating budget. We have mostly salaries.

Alderman Vaillancourt stated so the relevant question if you wanted to cut a significant portion of yours or any budget as I said last year would mean that you would have to ultimately cut an individual so if you had to go from 12 to 11 people and I don't think anyone would want to do that but would you be prepared to tell us that we would have to forego some kind of service in return for losing that individual.

Solicitor Clark replied if there is a reduction in manpower in my office then yes the length of time it takes to respond to some requests would have to be stretched out because there is only so much a person can do in a week.

Alderman Vaillancourt asked that is all it would be is stretching out the length of time.

Solicitor Clark answered no. There may be other work that is not going to get done and we may have to refer more of our work outside. There is certain work that has to be done in a certain time period. As you know, when you are dealing with the court there are deadlines. If you are dealing with contractual obligations there are deadlines and if we don't meet those deadlines then the City could suffer a penalty.

Alderman Gatsas stated maybe you discussed it and I am not sure but other services, did you talk about that.

Solicitor Clark replied yes.

Alderman Gatsas stated what you almost spent in FY00 is \$60,000.

Solicitor Clark replied that is generally money that is in the Risk Division. That covers the insurance consultant, some of the actuarial money and the old safety officer who is still doing training. There are more monies to be paid before the end of the year. Generally, that is done in the second half of the year. There will be a bill coming in shortly for the preparation of the bid specs by the insurance consultant.

Mr. Ntapalis stated we have gone out for property, boiler and machinery, and we have also gone out for transit cargo coverage. That particular amount of money, as Tom said, is to provide services. We have the former safety officer who is helping with the in-house training of the current safety officer and that also comes out of that fund.

Chairman Cashin called for a recess.

Chairman Cashin called the meeting back to order.

### **Traffic**

Mr. Hoben stated to my right is Denise Tousignant, Administrative Services Manager. I would like to start with a brief presentation. We broke out our expense budget to give you the increase...there is actually going to be a 2.1% increase over FY01.

Alderman O'Neil stated we have a handout that Jim and Denise gave us but we also have...I guess we are replacing our entire budget with the rest of it that was handed out earlier.

Deputy Clerk Johnson replied the Mayor's Office has distributed a revised breakdown from the Traffic Department this evening and I am told that the bottom line has not changed.

Ms. Tousignant stated what I did was rerun the reports because they had benefits from the garages tying into one of the line items for benefits.

Alderman O'Neil asked do you want us to pull this out and replace it with what you gave us.

Ms. Tousignant answered I would keep both because Traffic doesn't have that one. I just wanted to show the benefits for the garages. I backed them out so that Howard could work his benefit numbers.

Mr. Hoben stated there is a 2.1% increase and within your packets we also have a breakdown line by line of each item, which you can follow along with. Within this comparison we didn't include the benefits, insurance, or civic center expenses for the garages right now. The additional items are an increase in salary and overtime for the garages and that is the \$53,000. So there is almost a \$400,000 expense for the civic center and also we didn't include the traffic benefits and the garage benefits. So, the \$53,000 went towards additional increases to cover the

Yarger Decker salaries. We added \$12,000 to our overtime account for snow removal and additional increases due to the Yarger Decker salaries. We also included \$36,000 for increased hours of operation at the garages due to increased downtown activity. Projected expenses for the civic center are around \$350,000. That is the SMG per car fee. I am not sure if you all know the formula, but we can bring it up later if you would like. We also have \$400,000 that was added to staff the proposed event staff at the service lots - twelve employees at \$15/hour, three hours each for 75 events. That total comes to \$400,000. Our FY01 revenues were \$3,605,728 and we are right in line to meet those. The Mayor has proposed projected revenue for FY02 of \$4,941,978. The Traffic Department's original budget projection was \$3,605,728. At last night's meeting we proposed a civic center projection...the Mayor had put in \$836,000 and ours was actually \$630,000. We were more conservative. He figures there will be more cars than we assumed. There is an additional \$500,250 in additional parking initiative projections. These are new fees that will be coming in. That concludes our presentation.

Alderman Vaillancourt stated I have a full plate of questions. Let's start with the \$500,000 in new fees, the additional parking initiative projections. He just said new fees so I assume we have some new fees coming.

Mr. Hoben replied there are new fees that will be presented at the Traffic Committee meeting.

Alderman Vaillancourt asked can you just give us a little sense of what it might be.

Mr. Hoben answered we are still working on it.

Alderman Shea asked could you go back to the projected...you said something about \$360,000 SMG per car fee. Could you explain that please?

Mr. Hoben answered this is the cost that the City is going to pay the operators of the civic center. SMG is the operator of the civic center.

Alderman Shea asked in other words we are going to pay \$1 per car or how does that work.

Mr. Hoben answered the easiest way to explain it is they are going to cap out at 6,000 spectators. They are going to use the turnstiles. If you have 6,000 people attending, you divide by 3 and they assume there are 2,000 cars. Multiply the 2,000 by \$3 per car and it is \$6,000 and then you multiply that times .8 for

expenses and they come out with \$4,800. That is the maximum amount the City will be required to pay per event. We are assuming 75 events over eight months.

Alderman Shea asked in other words they are receiving money for people who go to the civic center for parking.

Mr. Hoben answered we will be billed...the Traffic Department will be billed by SMG.

Alderman Shea asked and you are projecting that if it is \$4,800 x 75 that would be \$360,000 plus right. Can they charge us any more than that?

Mr. Hoben answered no, that is the maximum.

Alderman Shea asked even if there are 8,000 people.

Mr. Hoben answered right. It is capped at that amount.

Mr. Robinson stated that fee may change based on the number of events. We have budgeted it at 75 and if they have 90 events that fee is going to go up.

Alderman Thibault stated you said something about Page 4 where the Mayor projected \$836,000. You said that you had projected \$630,000. So what do you think about the Mayor's projection?

Mr. Hoben replied that depends on the number of cars. We assumed 100 cars at Canal and 100 cars at Victory and the Mayor assumed 200 in each garage. That is the difference in the projected revenue.

Alderman Levasseur stated can we go back to your formula for a minute. I am a little worried about the expenses. Your expenses should be fixed. You are going up on your expenses at \$3,000 and \$6,000. I would imagine that you would have a bottom line fixed expense no matter how many cars you are going to go with. You are not going to hire an extra couple of people because you are expecting 6,000 cars or 8,000 because there is no way to justify it. You are going to have to have a fixed amount of people no matter how many people show up.

Mr. Hoben replied I think you are confused Alderman. This is the civic center contract that the City signed with SMG. This is the cost that the City is going to pay the operator. It is a fixed cost.

Alderman Levasseur asked so that is the cost they are charging us and that is not our cost.



Mr. Hoben answered yes.

Alderman O'Neil asked other than increased activity with the civic center, pretty much the bottom line is you are at the same level, same manpower, same work getting done other.

Mr. Hoben answered right. We are \$53,000 over last year. No new employees but we are going to get more security at the garages.

Alderman Vaillancourt stated I will preface my question with the comment that I am a big fan of the Traffic Department and think they are among the most responsive people in City government so I like the Traffic Department, however, I do have questions. I want to get back to the civic center, the \$360,000. That is based on 6,000 spectators. What if we only have 2,000 spectators a game? Is there an absolute minimum that we have to pay them or is it based on the actual turnstile? If we have 2,000 a game they would be getting \$120,000 instead of \$360,000.

Mr. Robinson replied it is based on the number at the turnstile. If you get 2,000 a game then we would be paying less.

Alderman Vaillancourt asked so we are not committed to that \$360,000.

Mr. Robinson answered that is the worst case scenario or best case scenario depending on how you look at it.

Alderman Vaillancourt stated back to Page 1 of your budget under the regular salary. I noticed that the Mayor has recommended \$658,669 and your request was \$730,113. Could you tell us why the Mayor recommended \$70,000 less and you don't seem to be concerned with that fact? I am looking at the first line of the first page on the revised budget.

Mr. Hoben asked under department request.

Alderman Vaillancourt answered yes. Under department request you requested \$730,113 and the Mayor has given you approximately \$658,000.

Mr. Hoben replied we had originally requested three new employees.

Alderman Vaillancourt asked and how can you live without them.

Mr. Hoben answered we are going to make due.

Alderman Vaillancourt stated an admirable statement. What were those new employees going to be doing?

Mr. Hoben replied the Traffic Director requested one new parking meter technician, an additional traffic signal technician and one maintenance worker.

Mayor Baines stated also I might add that under a different financial scenario facing the City we would have been very sympathetic to adding some people in the Traffic Department because I believe they are overburdened.

Alderman Lopez asked could you clarify something for me in reference to the civic center and benefits. The benefits being and let me lay it out here, you are going to have these people who are parking lot attendants...are they going to get a salary and we are going to have to pay benefits? Is that what you are talking about here?

Mr. Hoben answered these are temporary employees who the garage operators are going to hire.

Alderman Lopez asked do we have to pay benefits and that.

Mr. Hoben answered no it is straight salary.

Alderman Lopez asked so there are no benefits. It is just \$15/hour.

Mr. Hoben answered correct.

Alderman Levasseur stated maybe Wayne could help me with this one. When you did your analysis, let's say we went middle of the road. Did you do an analysis based on how much you project for the City to get back on that? Let's say we went with example 2 and we had to give them \$4,800. Did you assume any kind of like...did you make a break even analysis of like we are going to make \$3 per car based on the 50 cents an hour plus the \$10 fee?

Mr. Robinson replied no. I looked at it totally separate. We knew that would be the amount that we would owe SMG and then this dealt with parking separately.

Alderman Levasseur stated so we know with that formula that we are locked into that but we don't know or do we have a reasonable assumption on how much we would garner...I mean we should be able to make back that money. That is not going to be an expense that we are not going to be able to cover by the amount of

cars that are coming into the City, is that right? Does that make sense? The fees that we are going to get for parking rates and parking meters and stuff?

Mr. Robinson replied depending on the will of the Board, those fees should be able to be covered in parking. That was my intent with the parking proposal. We are not going to be able to cover all of the operating expenses.

Alderman Levasseur responded you know where I am going with this right. It seems like we are getting an increase in the budget but we are actually going to be getting an increase from the fees that are going to be generated by the parking but we don't know what that number is. Do we have an assumption on that, your Honor, or are we still working on that?

Mr. Robinson stated I did not look at it to break even or to make money. I looked at it as two separate issues.

Alderman Levasseur stated let's say we had 2,000 cars coming in. We need to get \$3 per car to break even. Does that sound unreasonable to you, Jim?

Mr. Hoben replied there are also other expenses in the \$360,000. The Highway Department, Traffic and the Police Department have expenses. I am not sure what all of the expenses are.

Alderman Levasseur stated I think you said before that you are still working on what the analysis is going to be from the fees but you don't have an idea. Could you say \$650,000 in income?

Mr. Hoben replied not at this point.

Alderman Lopez stated maybe I can clarify. We received a document that is going to help. Of course you have to get the revenue to \$836,000. The Police have an expense of \$124,000 and the proposed revenue is \$91,686.

Alderman Levasseur asked and that is from parking fees, correct.

Alderman Lopez answered that is all determined in the Mayor's budget. The parking fees have to be determined along the same line that you were thinking of on the \$3 per car for example. Down on Commercial Street they have 50 cents per hour so if I park there for three hours I am going to pay \$1.50 but at the turnstile I have to give the civic center \$3 so that is an area that Traffic has to look at. Maybe they could charge \$1 an hour.

Alderman Gatsas stated if I park on Laurel Street and there is no meter then there is no revenue to the City. I think that when the parking was being talked about originally, based on the Desmond report that was done, he showed in his report that there were meters that would be provided in those neighborhoods for revenue generation to the City. I believe we also signed with the civic center deal a parking amendment that stated that anything that came in over and above the naming rights of \$250,000 per year would be allocated to the parking so anything that falls into that fund...am I right Kevin?

Mr. Clougherty replied that is right. If you didn't make your revenue projection that would be there as a cushion to help absorb that.

Alderman Gatsas stated I was very adamant about the parking situation because I thought the City was going to be at risk for parking. The deal that we had was they agreed to put the additional funds over and above the naming rights into a separate contract allocated to fund parking if we were short.

Mr. Hoben replied I wasn't privy to that information.

Alderman Vaillancourt stated this question is directed to Wayne. I think the answer is pretty simple. If you could just explain to us how you arrived at that \$836,000 figure in the Mayor's budget. Is it 75 events times X number of dollars per event?

Mr. Robinson replied that is correct.

Alderman Vaillancourt asked could you give me those two variables.

Mr. Robinson answered the Victory garage and Canal Street garage instead of 100 cars per event I believe I used 300 cars per event.

Alderman Vaillancourt asked at what price per space.

Mr. Robinson answered \$5 per car. Off the top of my head I believe I excluded the meters because I did not know how many meters were going to be installed or where or the price.

Alderman Vaillancourt asked but for the \$836,000 do you have X number of spaces times an average of Y per space.

Mr. Robinson answered yes. Victory and Canal would be 300 spaces times \$5 per space times 75 events.

Alderman Vaillancourt asked and that would come out to \$836,000.

Mr. Robinson answered plus the other lots and what have you.

Alderman Vaillancourt replied that is what I want, the what have you.

Mr. Robinson asked do you have the civic center proposal from yesterday. It is all in there.

Alderman Vaillancourt asked so it is broken down.

Mr. Robinson answered yes.

Alderman Levasseur stated that was where I was going is what did you project for your revenues from the meters and the parking. \$836,000 is the number?

Mr. Robinson replied yes.

Alderman Shea stated just a point of clarification. If I were to walk from my home with my wife and my son to the civic center there would be a \$3 parking fee, correct? In other words every third person who goes through the turnstile there is a \$3 fee correct?

Mr. Hoben replied correct.

Alderman Shea stated so there will be people who could walk from their homes and the City would be charged a parking fee.

Mr. Hoben replied that is correct.

Mr. Robinson asked are you talking an individual or the City being charged.

Alderman Shea answered I am talking about the City being charged. I thought I made that clear. In other words if three people walk to the civic center without using a meter, the City would be charged \$3 for these three people to go through the turnstile.

Mr. Robinson replied that is correct.

Alderman Gatsas asked, Wayne, where does the revenue that you are showing for the two garages...if I go to Page 100 is that where I am going to get that. Do we have a new handout?

Mr. Robinson answered that is just expenses. I don't believe there is revenue there. The new handout is expenses only.

Mr. Hoben stated on the screen we have last night's presentation. We can show the discrepancy with Wayne's projection.

Alderman Vaillancourt asked and there is a written handout of this somewhere.

Mr. Hoben answered it is in the civic center proposal.

Alderman Vaillancourt replied oh then only the civic center committee people got it.

Mayor Baines responded we sent that out to everyone.

Alderman Gatsas stated Jim you are showing 100 cars at the Center of New Hampshire. Doesn't the City have...we have 400 spaces available in there? We used to have 600. Did they extend their lease and take the other 200?

Mr. Hoben replied not at this point. They are looking at it.

Mayor Baines stated they have hired a consultant...

Alderman Gatsas interjected when did their lease run out. I thought that had to notify us back in February if they were going to extend the lease to take those 200 spaces.

Mr. Hoben replied the Mayor was working on that with them.

Mayor Baines stated I would have to go back. I know there was some kind of notification that took place back then. I will need to get the background on that for you.

Alderman Gatsas replied I have a real problem that you are using...we have 400 spaces available and you are showing an allocation of 100.

Mr. Hoben responded it is a conservative projection.

Alderman Gatsas replied I understand that but I would think that you would use...I mean something that is across the street from the civic center. If you are not at 95% based on the 6,000 people or the 6,000 cars going there, then there is a real problem. Your 100 is a conservative figure and I appreciate that but I think that conversely if you are showing 6,000 people going through the turnstile that

that has to be pretty close to 100%. If I don't use 100% and say it is 350 spaces that are allocated...we have 600 and say 350 times 12 times 75 is \$315,000 just from that one garage. Now I am not the parking expert and you folks are. Do you think that for one second you would have any vacancies if 6,000 people are going to the civic center in that garage?

Mr. Hoben responded no we don't.

Alderman Gatsas stated I think that should dispel any problems of anybody thinking that it is not going to be a revenue situation.

Mayor Baines replied I think we are comfortable with that.

Alderman Levasseur asked how many of those spaces are for the club seat members. Do we have all of those?

Mr. Hoben answered we have 120 spaces reserved.

Mayor Baines stated I believe the Center of NH notified us that they were going to extend it and they were working on the agreement with the City but I want to follow-up on that because that was back in February.

Alderman Levasseur stated I would like to, if I can, go further with this. I agree with Alderman Gatsas that that garage would fill up the fastest because it is the closest but for the Rubenstein lot you are using 450 spaces and you are using that as a full amount. You are actually using a maximum for that lot but you didn't project a maximum for the other ones. I am wondering why there is a conflict there.

Alderman Lopez asked could you explain because there is a question on the calculation of the \$45,000, which was an error at the committee meeting. There is \$55 right now that you get and you are only allocating \$20 more versus \$75 am I correct?

Mr. Hoben answered right.

Alderman Lopez asked so what would be the figures, .960.

Mr. Hoben answered right.

Alderman Lopez asked so that is not \$45,000.

Alderman Vaillancourt stated I have worked my pen as quickly as I can because I don't have a calculator but based on these projections, \$836,000 that you are projecting, according to what my figures are means that you are projecting 6,150 people per each and every event in that civic center. If you add up the number of garage spaces (1,200) plus the metered spaces (850), that is 2,050 times 3 people per car and you are projecting that every event is going to bring 6,150 people to that building in order to raise \$836,000. Is that correct? I hope it is not but it seems to be the math of the situation. If it is correct I would just like to state what I have stated all along and that is not only a rosy scenario, but it is a very rosy scenario. I have taken the 100 at the Center of NH, the 150 at Pine, the 100 at Victory, the 100 at Canal, the 450 at Rubenstein, 100 at Hartnett, 200 in the Millyard and the 850 metered spaces, which gives me a number of parking spaces at 2,050 and then doing that multiplication of three people per car, which means that you are figuring 6,150 people for every event. Is that correct?

Mr. Hoben replied yes. We assume that this place will be full. It is a new facility and I believe all the hockey season tickets have been sold.

Alderman Vaillancourt asked you believe they are all sold.

Mr. Hoben answered I believe they are close to being sold.

Alderman Levasseur stated there are 2,500 season tickets sold and 350 on the club seats so we are around 2,800 or 2,900 sold but I think it is reasonable for them to say that you are going to expect 3,000 people for maybe 40 of the games and then you have another 25 events that will probably bring in 8,000 to 10,000 because they will be concerts or bigger events. If you average it out, I think he is reasonably close at 6,000 because it can seat 11,000 for an event. It may seem a little rosy, but they are not too far off.

Alderman Gatsas stated the 2,500 season tickets doesn't include the box seats.

Alderman Levasseur replied correct and there are 12 seats per box and there are 35 of them.

Alderman Gatsas stated I guess now we have a problem. I am looking at last year's actual expenditure for regular salary. I don't know if you have that. That is in our old book. For me to try and use the revised book is going to be difficult because they have it broken down into too many departments. Do you have the old sheet?

Mr. Hoben replied just the revised one.



Alderman Gatsas stated it is Page 32 on the original budget sheet. If you look at actual expenditures for FY00, your regular wages were \$1.61 million.

Mr. Hoben replied that includes the parking salaries.

Ms. Tousignant responded which are moved to contract manpower this year.

Alderman Gatsas stated I am looking at a number that looks like it is down 40% and I can't understand why.

Mr. Hoben replied parking salaries were moved out.

Ms. Tousignant stated they were moved to contract manpower.

Alderman Gatsas asked which is where.

Mayor Baines answered it is five or six from the bottom on that same page you are looking at. So starting in FY01, \$323,789 and then you can see it projected.

Alderman Gatsas asked how is your increase of almost \$200,000 from the actual expenses.

Mr. Hoben answered that is the benefits.

Alderman Gatsas asked to the revised budget that is benefits of almost 100%.

Mr. Robinson answered that is why you need the revised sheet.

Alderman Gatsas asked why is there a 50% increase on the contract manpower.

Mr. Hoben answered that is for the civic center.

Ms. Tousignant stated the garage is open later.

Alderman Gatsas asked what time is the garage open until now.

Mr. Hoben answered 10 PM. There is no security after 10 PM at Victory and Canal.

Alderman Gatsas asked and based on the civic center you are going to have increased hours until when.

Mr. Hoben answered 1 AM or 2 AM. We have been trying to get this for years. With all of the increased activity downtown with Margaritas and the civic center coming, it is time to change the hours.

Alderman Gatsas asked so this is something that we wanted to do for a long time.

Mayor Baines answered well there are going to be more people and more activity downtown and we want to make sure that the facilities are secure.

Alderman Gatsas stated but we are increasing wages based on until 2 AM based on 75 events. That doesn't sound like a reasonable business decision on anybody's part. Seventy-five events does not cost us \$250,000 to get coverage until 2 AM. Everybody is shaking their head saying it is a great deal, but I don't think if it was our own personal money and a business decision that we would do it.

Mr. Hoben stated it is \$174,000 for the garages.

Alderman Gatsas stated in the revised edition currently you are at \$519,000 for contract manpower. In the budget request and in the Mayor's request there is an increase of \$250,000. That increase is to increase manpower at the garages until 2 AM for 75 events.

Mr. Robinson stated I cannot give you specific dollar amounts but what that number is is contractual increases for the base contract for increased funding for civic center related issues. For example, there is \$40,000 in there for a satellite parking attendant plus whatever their contractual salary obligations might be. So it is just not civic center related only.

Mr. Hoben stated the benefits are \$175,000.

Mayor Baines asked could we do a break down of this for you, Alderman, to answer your questions and get that to all of the Board members. Would that be okay?

Alderman Gatsas answered when you say a breakdown what do you mean.

Mr. Robinson stated how much is related to the civic center, how much is related to contractual obligations, and how much is salary.

Mayor Baines stated maybe that will give us a better basis for this instead of trying to dissect it tonight. We would be glad to get those numbers for you in the next couple of days.

Alderman Gatsas replied but my question is how does this department out here that has to justify this and I am not...how do you know more about it than the department.

Mr. Robinson stated dealing with the civic center; we talked about this issue.

Mr. Hoben replied there were many meetings.

Ms. Tousignant stated the original \$257,000 is comprised of \$174,000 for benefits which wasn't in our budget last year, which is why they are showing a bigger increase. There is \$40,000 for the staff for the event and there is \$36,000 for security at the garages after 10 PM.

Alderman Gatsas asked \$175,000 in benefits for whom.

Ms. Tousignant answered for the two garages and the Center of New Hampshire.

Alderman Gatsas asked when you say benefits you are talking about health insurance...

Ms. Tousignant interjected dental, worker's compensation, unemployment and all of the encumbered expenses that we didn't used the budget for.

Alderman Gatsas asked how many employees do you have there.

Ms. Tousignant answered there are about 20 employees at the Center of NH and 18 at the two other garages.

Alderman Gatsas asked how is this contract labor then. How are we paying benefits for contract labor?

Mr. Hoben answered the garage operator is going to hire off the street at \$15/hour.

Ms. Tousignant asked are you talking about the benefits for the employees at the garages.

Alderman Gatsas answered when I see a line that says contract labor, I am assuming that that is something that we pay for outside of a risk to the City. If somebody says it is \$15, that employee may be making \$10 and the operator is making the difference in covering his expenses.

Ms. Tousignant stated that is the line item that we were asked to put the garage salaries into, contract manpower.

Alderman Gatsas stated we will go a little slower then. The employees that are at the garage, the Canal Street Garage, are they receiving benefits?

Mr. Hoben replied yes. They are employed by Central Parking, the garage's operator.

Alderman Gatsas asked who is paying for the benefits.

Ms. Tousignant answered the City reimburses them for their salaries and benefits and expenses every month. That is the contract that the garage has with the City and that is a question that Tom Clark could maybe answer if he was here.

Alderman Gatsas stated if we are paying for everything, then we must be paying for a profit margin on top of that. My question is if we are paying everything why wouldn't they become our employees and reduce whatever the number is in-between.

Mr. Hoben stated I don't think we could afford to have City employees run the garages.

Alderman Levasseur asked in other words it would cost more than the \$15/hour.

Mr. Hoben stated these employees are getting like \$7 or \$8 an hour.

Alderman O'Neil stated this is just going back on memory. We cover their hourly expenses for all of the employees and we cover their benefits for the employees including paid holidays and all that and we pay for a couple of supervisor type positions. At one point it was shared between the Airport and I don't know what that relationship is but where they were making their money was on the monthly billing I believe.

Ms. Tousignant replied I am not sure what you mean.

Alderman O'Neil stated they are not making a whole lot of money on these garages. As a matter of fact there has been a lot of talk for a few years since the two buy-outs that we may be out of a parking garage operator in the near future.

Mr. Hoben replied they also operate the Airport parking.

Mayor Baines asked how old is this contract.

Mr. Hoben answered 14 or 15 years.

Mayor Baines stated I would be glad to have the City Solicitor's Office explain that contract at a subsequent meeting. I think that would be very helpful to all of us.

Alderman Levasseur stated so basically what you are saying is the increase of \$250,000 is going to be for additional hours from 10 PM until 2 AM and the additional employees. Is that what we are talking about?

Ms. Tousignant replied it also includes the benefits, which we have never budgeted for before.

Alderman Levasseur stated so if you gave us an analysis...you would just give us an analysis of basically how many additional employees you took into account or the additional amount of hours that it was going to be and then added the benefits in and that would be the number you came up with. Somebody must have made those projections. Did you guys make those projections or did somebody else?

Ms. Tousignant replied the garages gave us their benefits and those are based on the full-time employees during the day, not the security that is going to be at night or the cashiers that will be working at night.

Alderman Levasseur responded so what you did was ask them how much is it going to cost us to get this thing open until 2 AM for 75 events.

Mr. Hoben replied basically that is what Tom Lolicata did.

Alderman Levasseur asked and that is where they came up with the number to give to us.

Mr. Hoben answered yes.

Alderman Vaillancourt stated I wanted to get back to the civic center parking area for just a second. Did we assume that there were going to be private lots that were also going to be closer to the civic center and rent out spaces? If so, I want to add to my \$6,150 number because those two other line figures, I just got it up to \$7,170 per event by doing the extrapolation there. How many people did we estimate would be using private lots? Do we have any idea? We must have some idea. Some private lots will be closer.

Mayor Baines asked what private lots.

Alderman Levasseur stated we never brought that into consideration in any estimation.

Alderman Vaillancourt stated I assume that a little store across the street there might have 20 spaces that they could rent for \$10 a space or \$20 a space, which would mean another 60 people, which would mean that instead of \$7,170 per event we are up into \$8,000 or \$8,500.

Alderman Levasseur stated but it is capped.

Alderman Vaillancourt stated I am not talking about the part we are paying back to the management, I am talking about how we are going to meet the scenario of getting this much revenue to get up to the total of \$836,000. For example, if somebody can park in a space in a private lot that is closer, then they might not park in Canal or Victory or any of these other lots.

Mayor Baines stated the thing that I keep reminding people about is we are not going to be 100% accurate on anything we do related to this project and we have to be prepared to adjust after we have monitored the situation for a period of time. We may be coming back to the Board to make some adjustments and I think we have to acknowledge that because there is a lot of educated guess work going on here and we can't anticipate every problem that is out there and we can't anticipate every revenue problem and we are going to have to come back and make adjustments.

Alderman Vaillancourt replied my only comment is that I think the adjustment should be based on the best guess and if you are talking up to 8,000 people per event, maybe we should revise this estimate slightly downward to be realistic.

Alderman Lopez stated when you get the summary of the contract, I was wondering if in that contract you could find out after 10 PM whether we could put one of those sub people without paying the benefits there. If you go to three hours like you said to 1 AM or 2 AM we have to pay the benefits...no, we don't?

Mr. Hoben replied no.

Alderman Lopez stated the employees right now we pay benefits to and at 10 PM at night there is no attendant at the garage, am I correct.

Mr. Hoben replied yes.

Alderman Lopez stated so if you put somebody there do you have to pay the benefits.

Ms. Tousignant replied those will be temporary part-time employees.

Alderman Lopez stated the part-timers would go three hours and you wouldn't have to pay any benefits.

Ms. Tousignant replied from either 7 PM until 10 PM or 6 PM until 10 PM.

Alderman Gatsas asked do they just...I am trying to work some numbers here. If I use the total revised budget for contract manpower, I assume that is a pretty good number of \$519,920 on the revised page?

Ms. Tousignant asked are you talking about the current budget.

Alderman Gatsas answered yes.

Mr. Hoben asked the \$519,930.

Alderman Gatsas answered \$519,920. You are basing the \$175,000 in benefits...is that what they are telling you the bill is for that.

Ms. Tousignant stated the benefits aren't included in that number, the \$519,920.

Alderman Gatsas replied I understand. Do they just give you a bill and tell you the benefits for these employees is this amount?

Ms. Tousignant responded correct. The \$174,000 are the benefits for the three garages.

Alderman Gatsas asked are most of those people full-time employees.

Ms. Tousignant answered yes.

Alderman Gatsas asked so there are no part-time employees in this number of \$519,920.

Ms. Tousignant answered there are salary numbers in that \$519,920 and there are part-time and temporary salaries in that number but the \$174,000, which is part of the FY02 budget request is benefits.

Alderman Gatsas stated but I am just saying that is like a 34% number.

Mayor Baines stated again if we could break it down and provide all of that information it would be helpful.

Ms. Tousignant replied the Center of NH's benefits are \$71,000.

Alderman Gatsas asked for how many employees.

Ms. Tousignant answered I am not sure how many employees. I think there are 15 or 20. The Canal Street garage is \$47,000 for benefits and the Victory garage is \$55,000 for benefits, which is the \$174,000.

Alderman Levasseur stated I think what we are probably driving at is that \$519,000 doesn't that already include some benefits in there.

Ms. Tousignant replied that is this current year's budget that...actually...

Alderman Levasseur interjected you understand why we are having a complication with this is because we are looking at a four hour increase from 10 PM until 2 AM and then we are looking at \$175,000 number and it seems to be a large number compared to what you already have for all of your employees with their benefits for the full year.

Mayor Baines stated again we could break it down by garage and the number of employees full-time and part-time with the benefits and provide all of that information to the Board within the next 24 or 48 hours.

Alderman Gatsas asked where is the benefit number in this year's line.

Alderman O'Neil stated that is the point I was going to make. Finance...this whole thing may be because it was carried in a different line item in previous years. We have been paying this for 15 years. It is not new.

Ms. Tousignant replied they were in the Traffic Department's line item, the benefit line item.

Ms. Descoteaux stated Alderman Gatsas if you look at her detail by organization you will find the three garages and those have the benefits broken out in the original handout. I am looking at Page 96.

Alderman Gatsas asked that is the revised one.

Ms. Descoteaux answered no the one that is in your book.



Alderman Gatsas stated it can't be because those are in the \$30's.

Mayor Baines stated it is in the book.

Alderman Gatsas replied okay it is. I see it. So the contract manpower is 5222C10591. Is that what you are telling me is the benefits line? So what you told me in the Center of NH account for benefits was \$71,000?

Ms. Tousignant responded that is correct.

Alderman Gatsas stated it is easy for you to give us an explanation, your Honor, and we get that written explanation and then we don't have them in front of us again to ask questions. I would just like to know if this is what they are giving us and if this is the budget...I am adding these benefits – health insurance, dental insurance, worker's compensation, matching FICA. Is that what you consider the benefits?

Ms. Tousignant replied and the insurance account, 521.

Alderman Gatsas asked you are talking \$1,600.

Ms. Tousignant answered yes.

Alderman Gatsas stated that is \$62,000. Well she told me it was \$71,000 in that garage.

Ms. Tousignant replied that is the proposed benefits for FY02. I think you are adding up FY01.

Alderman Gatsas stated FY00 actually because I am looking at the actuals. I am looking at the contracts and I guess this is your increase, under the Mayor's budget on Page 32.

Mr. Hoben asked the \$400,000.

Alderman Gatsas answered the \$405,975 or an increase of \$360,000.

Ms. Tousignant replied that is correct.

Alderman Gatsas asked what is that for.

Ms. Tousignant answered that is the \$360,000 fee that we will be paying SMG. It needed to be put in the contract account.

Alderman Gatsas stated the revenues on Page 97 for the Center of NH garage, you are showing an increase of \$70,000.

Mr. Hoben replied that is what the Mayor put in.

Alderman Gatsas stated your number is \$464,000 and the Mayor's is \$463,000.

Mr. Hoben replied our revised budget in FY01 was \$392,980.

Alderman Gatsas responded right and your requested budget was \$464,322 for an increase of \$70,000.

Mr. Hoben replied right.

Alderman Gatsas asked why is that. Where is the increase coming from? Obviously you are projecting but we don't know if we are losing an additional 200 spaces.

Alderman Lopez asked can I have some clarification. Did Tom Lolicata work with you on this budget or did Jim?

Mayor Baines replied they worked as a team.

Mr. Hoben stated Tom Lolicata did most of the work.

Alderman Lopez asked Alderman Gatsas the summary that they are going to provide us wouldn't that be sufficient at this time and we can move on.

Alderman Gatsas replied sure we can have them come back.

Alderman Vaillancourt stated when we have them back could we ask them to be prepared to be more responsive to what that extra \$500,000 is going to be in the form of. I don't mean to be the only one who complains, but I think we have a right to know that.

Mayor Baines replied I think they are still working on the figures and they are going to the Traffic Committee next week isn't it.

Mr. Hoben responded Monday.

Mayor Baines stated so you are all invited to the Traffic Committee meeting on Monday.

Alderman Shea asked, Jim, if we ask you to take a 1% or 2% or 3% cut do you know where you would take it off of. That is the usual scenario. I would just like you to think about it.

Mayor Baines thanked Mr. Hoben and Ms. Tousignant.

Mayor Baines called for a recess.

Mayor Baines called the meeting back to order.

### **City Clerk**

Clerk Bernier stated I would like to open up by, if you look at the screen our revenues from the time we submitted our revised budget number to the Mayor's Office in February, our number is now \$1,588,000. That is an increase of \$238,000 and you might say well why didn't we address that issue in February and it is in regards to the cable contract. We took the last quarter, which was the end of December and what we did was add it four times and we came out with a number of about \$800,000. As you know, it increased by 1% so the new number is now \$260,000 for each quarter so if you add that four times, it comes out to \$1,040,000. Also, with our vital records there has been a change where individuals can get their death certificate, marriage license and birth certificate at any town or City in NH. We do have a great crew working in vital records. It is a very friendly crew and we are noticing that we have funeral directors coming to Manchester to get their death certificates. Our revenues are increasing because we are people friendly. On the other side of the coin we have about four areas I need to address. One of them is the archivist position, which was part of the CIP on the cash side and we need to take that position and fund it on the operation side. We also need to address...

Alderman O'Neil interjected when I saw this memo from the City Clerk it got me thinking a little bit about...we seem to have a number and this isn't for a debate for tonight but we seem to have a number of positions that are CIP funded that are kind of like in no man's land. I can think of at least four or five. I know Sally is one of them in the City Clerk's Office and I would like to see us try to attempt to...I mean there is no cost to the taxpayers to put them permanently in a department. It just doesn't seem right and I am aware of at least four or five and there may be more.

Mayor Baines replied and it developed over time.

Alderman O'Neil responded well I think if we could take a look at that at some point it would be in the best interest of the departments and the City as a whole.

Clerk Bernier stated I will give you a short history of this archivist position. About five years ago...everybody knows Paul Bergeron who was a very good grant writer and we did get some grant money from the Bean Foundation and that is how the position started and then we appealed it to the CIP Committee and they funded us for three years. I think we all agree that the position is needed and I have talked to previous Mayors and they agree to because of what she has been doing keeping track of our records. We do have a lot of requests outside of the City for records like death certificates, birth certificates, meeting minutes, etc. I think it is time to address this issue. Again, it was cash last year on the CIP side. Another thing that was asked by our office and it was a late entry by the Arts Commission who is requesting \$6,100 and I did give you a breakdown. Again, it was not the fault of the Arts Commission. It is just that the Mayor's budget was concluded when they submitted the paperwork. I just want to bring it to your attention. I do have Georgie Regan who is a member of the Arts Commission here if you have any questions. It is broken down and it explains where the \$6,100 is going to go.

Alderman Thibault asked what is the \$1,500 in consulting fees.

Ms. Regan answered an example of the benefit of the consultant and consulting fees that would be entailed is the newest addition to the Millyard, the Historic Association and because of professional consultants that they hired that is just a show stopper and it is a major attraction and it became that way because they did...it was probably quite costly for consultant fees but the result was just wonderful and that is the reason.

Alderman Shea asked will the consultant or people working with you try to get grants through the Bean Foundation and other foundations. Would that be part of the consultant's role?

Ms. Regan answered yes that certainly is possible and I think that one of the items there is start-up fees and for any new project there are always purchases to be made of mailing lists and the start-up fee would be someone who would be a grant writer. All of that is involved in that one line of start-up fees.

Mayor Baines stated I would like to thank Georgie and the other Art Commissioners because they have really been engaged in an effort to bring a sense of history back to the building. You have seen it with the addition of the Mayors of the City. For the first time we have them displayed. We will also be adding other artwork in City Hall through the generosity of the MacInich Foundation.

Ms. Regan replied yes in the connector between the main building of City Hall and the West Wing there will be historic scenes chosen from the collection of the Manchester Historic Association and that will be funded by the MacInich Foundation and we have a very close affiliation with the Historic Association and their treasury of wonderful things and that is where those will be from and again sponsored by the MacInich Foundation as are the Mayor's photographs also.

Mayor Baines stated we are also looking at the executive conference room and we are working with the *Union Leader* to develop some memorabilia around the first in the national primary and that will bring a sense of history to the building.

Ms. Regan replied we have already met with Don Anderson and the librarian at the *Union Leader* and with some help from David Scannell it will be the primary headlines from the *Union Leader* and typify the *Union Leader* and their role in the history of primaries and that portion of what will be hung in that conference room will be sponsored by them.

Mayor Baines stated and we will have a reception at the end of June we hope.

Ms. Regan replied we are working on that.

Alderman Cashin asked line item 4877 Building Rent, what is that.

Clerk Bernier stated can I just finish something and then I will get back to that question. I just want you to know that George Regan and the Arts Commission, as well as Walter Stiles, through the MacInich Foundation we have received \$10,000. I just want you to know that and you need to thank her for putting up all of the Mayor's pictures that go back to 1846. It is a tireless task and I salute her.

Regarding the building rent, what is happening is through the School Department as you know during the election we use eight schools and I am afraid that they are going to start charging us on an hourly basis to use the schools so what I did was I added the rentals in there.

Mayor Baines asked is it a chargeback.

Clerk Bernier answered no we are going to have to pay the School District. It will be a chargeback the other way.

Alderman Cashin asked we never had that before.

Clerk Bernier answered no.

Alderman Vaillancourt asked so you received \$10,000 and you are asking for \$6,000. Am I misreading this...you are going to give us \$4,000? Is that what I hear?

Clerk Bernier answered the \$10,000 was for actual cost of the frames and photos and the tinted glass, etc. It is not a direct cost to the City.

Alderman Vaillancourt stated you are asking for \$6,100 and you asked for nothing last year. Where did you get the money last year?

Ms. Regan replied there was already a budget in place that had gone through the Federated Arts and Federated Arts is no longer in existence and that money was available and while there was no Federated Arts there suddenly was an Arts Commission again and that was what we were able to start with or we would have been without any funding at all.

Alderman Vaillancourt asked and the year before.

Ms. Regan answered the year before it was exactly the same although the year before there was not a functioning Arts Commission.

Mayor Baines stated the Arts Commission was reinstituted by Mayor Wieczorek on a vote of this Board I believe in November or December.

Clerk Bernier replied that is correct and they did get funded probably three or four years ago with an appropriation of about \$3,500.

Alderman Vaillancourt asked is this the same organization that is asking us whenever we build a new building to set 1% of the cost aside for arts. Is this the same group that is doing that?

Ms. Regan answered yes and from the Arts Builds Community who are talking about arts building community they are suggesting that that is the means of getting there. It is just one of the means of getting there and it is something that we are just starting with.

Alderman Shea stated I am all for the arts. This is so essential for a community. The arts are extremely essential. I know that academics and school are very important, but the arts are a stepping stone for many people in our community and I really think that this is just pennies they are asking for. I want to commend you. I am not much for spending extra money, but this is well worth it.

Mayor Baines stated the good thing about it in terms of what we are trying to do at City Hall is when you bring people into this historic building there was no history of the building itself and it is really going to enhance us as we welcome groups from other communities and school children and others into the building.

Alderman Lopez stated I just want to thank you for bringing us \$238,000 more and I want to take this opportunity to thank all of the City Clerk employees for the fine job that they do in the City and especially for taking care of the 15 of us around this table.

Clerk Bernier replied thank you.

Alderman Vaillancourt stated first of all I didn't express any opposition to this arts program, I just did want to warn you that it is not \$6,000 that they will ultimately be coming for it is probably hundreds of thousands, but regarding Alderman Lopez's comment just as a point of clarification I always like to thank the City Clerk's Office for all of the wonderful things they do but they didn't bring us the extra \$238,000. This is a tax on the cable TV fee that everybody in Manchester pays. This is passed directly on and it is not something that just fell from the sky. Everybody pays this. Most of that increase is the cable fee increase so it is not something that the City Clerk's Office developed, it is something that we passed and it is, in essence, not a tax but close enough. So, congratulations may be in order but to every taxpayer in the City of Manchester if at all.

Clerk Bernier stated the next item that needs to be addressed is the animal shelter. Last year towards the end of the budget process there was \$40,000 put in for civic contributions. This year it wasn't put in the budget and it was just brought to our attention this morning. We need to add \$40,000 whether it be a civic contribution or be in the City Clerk's Office. If you recall last year the Committee on Administration was very active with regards to the animal shelter and they worked out an agreement and I guess the City pays them \$40,000 for their operation.

Deputy Clerk Johnson stated I would like to add that it is a contract that the City has. It was formerly run by the Police Department and it is no longer run by the Police Department. The two officers that were at the shelter are now housed in the Police Department itself and it is the Friends of the Manchester Animal Shelter that run the shelter on behalf of the City. We have received a notice to renew the contract.

Alderman O'Neil asked is that the proper place for it, civic contributions.

Mr. Clougherty answered it should be there because you have similar type of not for profit organizations there also.

Alderman Levasseur asked how much were we funding when it was under the Police Department. Was it the same amount?

Clerk Bernier answered we were not involved. I would have to get you that information. That was something that was discussed last year.

Alderman Shea asked if you were asked to take a 1%, 2% or 3% cut do you know where you are going to take it from.



Clerk Bernier answered it is was a 1% cut we would just have to...what happens is we get a lot of requests in the mail for vital records so that would probably be delayed and instead of a turnover of 48 or 72 hours it might be a little longer.

Alderman Shea asked how much would 1% be.

Clerk Bernier answered about \$10,000.

Alderman Cashin asked what are the revenues from the animal shelter. Do we know?

Clerk Bernier answered no.

Deputy Clerk Johnson stated we don't take any revenues in from there. Perhaps Alderman Gatsas may recall the discussions better from the Committee on Administration but my recollection is that the animal shelter was going out and getting donations from veterinarians and so forth and housing that shelter for the most part but any revenues that were coming in at the time were being deposited in the general fund. They agreed to take over and run the shelter at a cost of about \$40,000 a year and that was what was negotiated out. Beyond that, I can't give you more information. Perhaps Alderman Gatsas could.

Alderman Gatsas stated the surrounding shelters, the one in Nashua, the City of Nashua pays that shelter I believe \$100,000 or in excess of that for the same service. The revenues that they receive go back to the shelter because the \$40,000 doesn't come close to paying for the expenses of the shelter.

Alderman Cashin asked so we are paying \$40,000 plus they get the revenues is that what you are saying.

Alderman Gatsas answered the revenues are, I want to say Alderman Cashin, probably when the Police had it the revenues they were showing were \$10,000 or \$12,000 a year.

Alderman Levasseur asked what do you expect on your revenues this year. How close or how far off are you?

Clerk Bernier answered we will probably have a shortfall of \$350,000.

Alderman Gatsas asked mechanical devices, you are showing \$150,000.

Clerk Bernier answered that is probably for 80 machines. Today we received money for 106 machines so our revenue has gone up but we are not really sure what the state is going to do in regards to having poker machines at the liquor stores and what effect that will have in our City. We projected 80 but as of today we have registered 106 mechanical devices.

Alderman Shea stated you said that in revenue you would be down \$350,000.

Clerk Bernier replied probably around \$400,000.

Alderman Shea asked why is that.

Clerk Bernier answered last year during the negotiation of the cable contract there was a provision in there that I understood to be a sign up bonus of \$500,000. It is my understanding that a portion of that money went for equipment.

Alderman Shea asked so that would account for the difference.

Clerk Bernier answered right because that revenue did not materialize.

Alderman Gatsas stated we never took that money. We were going to take it, however, it was going to be amortized in a lumpsum payment so we were better off not taking it and not having to pay the interest on it.

Clerk Bernier stated if you look at the letter that I sent to you yesterday, everybody knows John Sysyn who is a day porter for City Hall. He is a person who comes here at 3:30 AM to make sure that the Mayor's parking space is clear from snow and you see him early in the morning picking up garbage, etc. There are a number of Aldermen here who asked me if I could approach the Board and see if it would be feasible to make him a City employee. What I did was I called Frank Thomas because he does work for ServiceMaster and again that would have to be negotiated but the way I understand it there would be no direct cost to the City so we are just going to transfer him from ServiceMaster and make him a City employee. Frank Thomas has to work out the details. If you talk to anybody, you never hear anything negative about John. I think it would be a tribute to him. He comes around on the weekend to make sure the doors are locked.

Mayor Baines stated he is perhaps one of the most incredible employees that we could possibly have in City government.

Clerk Bernier stated if you could consider making him a City employee through this process, I would appreciate it.

Alderman Gatsas asked is there a buyout on that.

Mr. Thomas answered in our contract with ServiceMaster we have a number to add an additional custodian of the same caliber or grade to the contract and that number includes salary and benefits so we would utilize that number to try to subtract that out of the contract. I haven't sat down and negotiated with ServiceMaster yet.

### **Aggregation**

#### Appropriating Resolution:

"A Resolution appropriating to the Manchester Aggregation Program the sum of \$758,516 from Aggregation Fees for the Fiscal Year 2002."

- a) Communication from the Aggregation Administrator requesting appropriating resolution be amended upwards to \$795,010 as outlined herein.

Mr. Thomas stated Tina Parsons is here tonight as head of the Aggregation Division of the Department of Public Works to give you a brief presentation and then we will try to answer any questions that you have on the Aggregation Program and where we are moving with it.

Ms. Parsons stated this is our presentation for the Aggregation Program. It is going to vary from the Resolution that you have on this agenda. With the advent of the latest legislation and the rate structure as it has been set for the next few years it is apparent to Frank and I that the necessity for a \$795,000 budget just isn't going to be there for FY02. So, rather than address that what we decided to do was give you a presentation on what really should be going on with the program for the next year. This is as it has been structured. The MAAP Administrator reports to the Public Works Director and within the MAAP department what we have are three functions. We have been addressing the power supply function of electric procurement and natural gas procurement. We have also had an energy efficiency contract where we have been working on lowering the City's actual electric usage and at the same time addressing infrastructure improvements and then the support function, which is the administration and other accounting related functions. The settlement agreement over FY02 will reduce electric costs by an average of 15%. We have numerous different kinds of accounts for the City averaging from several large commercial accounts, LG accounts and a lot of the small accounts, which are under the "G" class. What we are proposing is if you look up here this is just a summary of some of the benefits

that have accrued to City departments that aren't reflected in the MAAP revenues and that is to say that we have had a natural gas contract now, this is the second year and that account expires in September for some of the City accounts and October for the other accounts and the cost of the original contract plus the accrued salaries as we worked on that issue. We also saved \$30,000 a year in natural gas costs. Under the next line there is the natural gas that stands for EnergyNorth and what they do is on a yearly basis they offer their residents and businesses an opportunity to fix in and lock the winter rate for October through April 1. What we did was we recommended to departments to take advantage of that because based on everything we saw we knew that the gas prices would rise over the winter and that figure reflected there, the \$12,170, is reflective of just the savings in the Fire Department. There were other departments that we suggested send back the form and lock in their accounts. They had to send in a form for every account that they had but Fire is the only one who provided a copy of their bills to us so that we could calculate that savings.

Mr. Thomas stated the purpose of this slide is basically to show that there has been an expense in these two areas and the Aggregation Program really hasn't received enough revenue to say that it is a cost effective program from a cash flow point of view but when you take a look at the savings by the various departments, which is the shaded blue line, you can see that there are some substantial savings that will pay off the capital investment in a short period of time, seven years and six years and then those savings will continue to roll in. Those are savings that the City is realizing even though they are not reflected per say in the bottom line of the Aggregation budget. Again, the Aggregation Program has two areas. One is an energy efficiency area where capital improvements, energy improvements are made in facilities. By investing in new equipment that is more energy efficient, those capital improvements result in a yearly savings from what was in there prior on energy savings. As a result, you can see on the City side there is about \$2.7 million in capital investments made. That is showing an annual savings because of these investments of \$382,000 so the pay back for the investments in those capital improvements are at seven years. Once you receive that pay back then that savings will continue to come in as a benefit to the City.

Alderman Cashin asked wasn't that function done by Public Building Services prior to Aggregation doing it.

Mr. Thomas answered some of it was. Some of it goes back to NORESO and the lighting upgrades in the schools.

Alderman Cashin asked how did it get from Public Building Services to Aggregation.

Mr. Thomas answered the Aggregation Program as it evolved had three different parts to it. One was power supply, which was electric and natural gas; energy efficiency, which if you are looking at a total energy related operation energy efficiency measures made sense to go under that area.

Alderman Cashin asked but it was done by Public Building Services.

Mr. Thomas answered at one time, yes.

Alderman Cashin asked so had we not had Aggregation we still would have done the same thing through Public Building Services.

Mr. Thomas answered that is correct.

Ms. Parsons stated this is the proposed budget for FY02. It consists of salaries for myself and Bill Prive with our benefits. The minimal operating expense that appears under the MAAP column is for the existing phone lines. Included in here on this particular slide are some incidentals. Those contracts for natural gas expire in September and October. As of November 1 of this year, the actual natural gas deregulation is being expanded to include small commercial accounts. Those small commercial accounts are the balance of the actual natural gas the City uses. We have two very large accounts that qualified under the first deregulation because they had to be large enough to be able to handle the metering charge and still have a savings. What we are proposing is that we extend that contract. We can do the EIQ and RFP internally, but the incidentals will be for the contract. The energy efficiency measures, again if we decide that we want to continue with improving our buildings and using the energy savings to pay them back then we can do that internally in the Highway Department with our own resources so we don't see any additional cost to that at all. We are proposing that in addition to that there is an issue in the Highway Department, well actually it is an accounting issue that is City-wide but the bulk of it and the burden of it is going to fall in the Highway Department so what we propose to do is where we are not really going to be exercising Aggregation over residents and small commercial businesses for next year, we are proposing to charge 25% of our salaries to MAAP and the energy issues and the balance of that to the general fund to work on the GASB 34 requirements.

Mr. Thomas stated basically what this budget is supposing is two things. Number one to keep the Aggregation Program going at a very minimal level, continue with some of those energy efficiency measures, continue potentially with the sale of natural gas, monitor what has taken place with the deregulation process and as Tina mentioned basically about 25% of staff time would be involved in that area. The City is entering into this new accounting and reporting system where all

infrastructure has to be identified, values have to be placed on it, and maintenance over a period of time has to be defined...it is a mammoth task when you stop and think that the Highway Department probably has the majority of the infrastructure that is in the City that has to be changed over to this GASB 34 reporting system. What we are proposing to do is request that the general fund pay for  $\frac{3}{4}$  of Aggregation's salary for a total of \$99,000 for this upcoming year to put towards this endeavor of meeting the requirements of this new recording system and then keeping MAAP or Aggregation going at a very minimal level. That is what this budget proposal is.

Ms. Parsons stated the next one is actually the same budget with the incidental line removed. This budget is a bare bones budget. It allows MAAP to continue so that that deficit doesn't have to be encumbered in the general fund for this year and at the same time does not allow for the contract for the natural gas procurement to continue on.

Mr. Thomas stated this budget scenario is the same as the previous one except if you do not want Aggregation to continue with the energy efficiency measures as Alderman Cashin mentioned that could be shifted back over to Building Maintenance or into Engineering. This would be a bare bones budget to keep, again, Aggregation on the books taking their time and spreading it  $\frac{1}{4}$  towards Aggregation and  $\frac{3}{4}$  towards the GASB project.

Alderman Gatsas asked could you explain the debt and interest please.

Mr. Thomas answered this slide here and I know it is difficult to read but basically there has been a total expenditure of about \$2.5 million on the entire program to date. That includes the pilot program, etc. Down at the bottom of that sheet if you note the amount due to the general fund at this time as we are speaking is \$1,618,516. That is basically a loan to the Aggregation Program. I may not have the right accounting terms but basically the money has been lent to Aggregation to cover those expenses up there until there is a cash flow coming in that is collected through charging an Aggregation fee on the sale of power. If the program continues to move on and there are not enough revenues coming in to pay back that debt then the program is going to be assessed an interest charge on a yearly basis.

Mayor Baines asked just for the public record, how much of this is the result of legal fees and consultant services.

Mr. Thomas answered \$1.108 million. I would say the majority of that cost is in the range of consultant and legal fees.

Mayor Baines stated so we spent over \$1 million since 1997.

Alderman Vaillancourt replied and as I understand it we spent this so the City could come up with a position in opposition to the state getting us the 15% electric reductions.

Ms. Parsons responded that is not true.

Mayor Baines stated that could be one interpretation of it.

Alderman Vaillancourt asked when do you expect to begin paying this money back.

Mr. Thomas answered right now because of the settlement agreement there is a rate that is locked in or a combination of rates that are locked in for a minimum of 33 months. That potentially could be expanded. If you go to the next slide, you have I think two options in front of you. Number one if you eliminate the program right now you are faced with paying back \$1.6 million out of this year's budget, which means you would have to make that up from fund balances at the end of this budget year or from other sources. Obviously that gets carried forward into the next budget, FY02, which obviously again is going to impact the tax rate. Now there is another scenario. If you keep the program going at a minimal level and if you take the position and I know maybe Alderman Vaillancourt will disagree with this but the City did invest all of this money as being an active intervener in the process. You can debate all day whether we should have been in it or not. My personal opinion is we shouldn't have traveled down that road but that is all together different. The City made that commitment. We spent the money. We were active interveners and my opinion is that by being an active intervener it did potentially shape the outcome of the final settlement hopefully for the better. If you take the position that being an active intervener did benefit the final settlement, what you could now say is okay let's recover some of that. There is a savings to the municipal load of 15%. When I made my budget presentation to the Board here I think you remember I told you that I used some of that savings to reallocate some of my other line items to cover projected short falls in fuel and what not. There is a savings. I recognize that there was a savings in my operating budget but what the City could do right now is say okay there has been a 15% savings in the total municipal load or payment and let's assess out of all the departments a percentage of a flat fee or whatever and take some of that money that you have assessed and utilize that to start paying down that \$1.6 million so that you are not going to get hit all in one year with that burden. You can see some scenarios on the slide. Up here what is noted is if you assess 1% based on FY00 expenses that is \$71,000, but if you get up into the higher range I think I did some calculations while I was sitting here and if you assess 7.5% or half of the

15% savings that is \$540,000 a year that you could be utilizing to pay back that debt over say a three year period. At the end of three years, true competition will be out there. Maybe there is going to be a benefit of an Aggregation Program. Right now the purchase of the dam is on hold so there are things taking place. The point that we are here to try to make tonight is with the settlement it is very difficult to justify continuing to invest money in this program other than the side benefits that we are getting through the energy conservation and natural gas, etc. You have basically two choices. Number one eliminate the program and get hit with the burden of paying off the \$1.6 million debt or look at some way of trying to recover some of that debt over a period of time. We are throwing out an option on how to do that.

Alderman O'Neil stated I actually like the path you are taking. I wasn't around when Aggregation started and it might have had some real merit but I think based on the recent legislation we don't belong in that business. We do have to recover those costs and start getting out of it. I think we do have two long-time and very dedicated employees who are assets to the City of Manchester and certainly there are some ways going forward...I think as long as we call it Aggregation it is always going to be thought of as negative here but certainly the experience that Tina and Bill have to put into something like energy services for the City or something like that, that might be very positive going forward. I could see myself supporting something like that but I think the general concept of Aggregation we have to admit that that is over. We should take our losses. I like the idea of phasing it out over three years and I think there is enough work to keep doing energy related projects for the City...it is probably more appropriate with you taking over Building Services and your Engineering Division being involved with facilities now. There is a fit for the two of them in that whole thing within your department and I think we can keep them plenty busy doing that type of work in my opinion. I think we have to draw a line in the sand on Aggregation and move forward and I appreciate your putting a plan together to phase that out. I agree that we can't just jump out of it. We have to slowly get out of it. That is just my opinion.

Alderman Shea stated, Frank, you mentioned that if we continue with the Aggregation Program we might be better off but if we were to moderate it in a sense as Alderman O'Neil was saying so that the actual operation could be combined with other kinds of functions within City government could it still be a viable type of operation. In other words the employees obviously are not as taken up with their workload as they used to be because it has been reduced and they could be shared by your department or whatever. Tina, you mentioned two people. Yourself and Bill Prive.

Ms. Parsons replied correct.



Alderman Shea asked is Bill a full-time employee.

Ms. Parsons answered yes.

Mr. Thomas stated again I think that is exactly what we are proposing here. If you go back to the budget that we put up there it was a bare bones minimum budget to keep a small involvement with MAAP or energy efficiency measures or whatever you want to call it to the tune of 25% of their time. What we are proposing is that the general fund pay for the other 75% of their time in my operating budget so that I can assign them to work on this new government reporting system. If the Board adopts some kind of assessment program or allocates some of that savings money as a revenue back into the program you could then pay off the liability to the general fund from this Enterprise fund over the period of a year.

Alderman Shea asked what is the government program again.

Mr. Thomas answered the Federal government is requiring that all municipalities, all government agencies, conform to what they call GASB 34. Now GASB 34 is the Government Accounting Standards Board financial accounting and reporting requirements. This is something that all municipalities have to do and Kevin could probably explain it better but the way I understand it is the way we report our infrastructure assets is different than the way it has been done in the past and there are two ways of doing it. One way is to define a value of all of your assets and try to depreciate them and the other way is a modified approach which is defining the cost of all of the assets and then putting together a maintenance history going backwards and forewords. It is a massive undertaking. When you stop and think about all of the roads, all of the bridges, all of the miles of sewers and this and that, that all has to be added up.

Alderman Shea asked would Tina do that along with the other fellow.

Mr. Thomas answered that is what we would be assigning them to do with  $\frac{3}{4}$  of their time under this proposal.

Alderman Lopez stated the salary is \$86,518 and that is for two employees, right.

Mr. Thomas replied that would be 75% of the salaries for two employees.

Alderman Cashin stated the total is \$115,357 isn't it.

Mr. Thomas replied the total salaries for the two positions is \$115,357 plus \$17,100 in benefits.

Alderman Lopez asked what is the budget, \$99,000 or \$240,000.

Mr. Thomas answered the total budget in the minimum case scenario is \$231,000 and that, again, a big chunk of that is debt and interest for the \$1.6 million that is outstanding.

Alderman Lopez asked what are the salaries for the two employees.

Mr. Thomas answered the top line to the right, which is \$115,357.

Alderman Lopez asked what does that break down to for each individual. Well, we can get it from Howard later. The other question I had is when you say pay down the debt, are you talking about Keene and Nashua who invested \$16,000 plus \$252,000. Do we have to pay them back?

Mr. Thomas answered no. That was a payment that they gave the City early on in the program. That has already been subtracted out of the total expenditure of \$2.5 million. It is really a...if you take a look at under the Aggregation fees those three numbers, gas, electric and facility improvements, the \$1.6 million that is what is owed as a liability to the general fund.

Alderman Lopez asked if we phase out of this thing like you are recommending as one of the options, we are not under any contract whatsoever with Keene and Nashua.

Mr. Thomas answered we have an intermunicipal agreement with Nashua to be part of the Aggregation Program. I think that because of the settlement arrangement I don't see us going ahead with an Aggregation Program because in order to aggregate something you have a power base and you want to procure power. In my estimation it is not feasible that you are going to put out a contract and pay somebody coming in that is going to be able to sell power cheaper than the settlement rate over at a minimum the 33 month period.

Alderman Vaillancourt stated I hate to play the role of villain but I guess that is why I am here. It seems to me like we have two experts who are experts in Aggregation and they are being paid a tidy sum and all of the sudden we don't need them doing that anymore so we are going to keep paying them a tidy sum but claim that they are the best experts that we can get to do a totally different job. It sounds like we have somebody performing brain surgery over here and we don't need the brain surgeons anymore so we are going to have them become our lawyers now. I mean I hate to deal with individual personalities but we are in a sense doing that because we are totally changing job descriptions. We just passed

in the House a bill last week, which I think increases the charge to \$3 million for energy savings that PSNH can pass along or whatever it is. Maybe these wonderful employees who are so familiar with Aggregation could get a job in the private sector or we should rewrite their positions, dismiss them and then if they are qualified hire them back. I don't understand this switching of roles.

Mr. Thomas replied I would have to take a look at Tina's job description, however, Bill Prive's job description is basically a financial analyst position or something along that line so what he is doing for Aggregation would be the same thing that he would be doing as part of this GASB reporting. Tina's position, even though she has the title of Aggregation Coordinator or whatever, basically is a financial management type of position.

Mayor Baines asked, Tina, what is your approximate annual salary.

Ms. Parsons answered I believe it is \$62,000.

Alderman Cashin stated first let me preface my remarks so that everybody knows where I am coming from. I was opposed to this in the last administration when it all came up. I said I didn't think it would work and I thought it was foolish to even get involved and sitting here tonight I think you have proven me right. Here we have a debt of \$2 million and we have accomplished nothing. As far as I am concerned the savings we got we were getting through PBS earlier. I am not critical of the individuals. I am critical about the way that it was presented to the Board of Aldermen. We just weren't given all the facts. Had we been, I don't think we ever would have gotten involved. Presently, we are asked to spend and correct me if I am wrong here, \$229,000 in salaries and expenses to continue this program. Right now, we are spending \$97,000 for debt and interest and that is going to go on for God knows how long. I just can't justify that.

Mr. Thomas replied I can't deny anything that you are saying other than the City has really never gotten into Aggregation per say.

Alderman Cashin responded it was never planned right to begin with.

Mr. Thomas stated the City became an active intervener in the deregulation process.

Alderman Cashin replied because somebody saw an opportunity to...

Mr. Thomas interjected however that happened, the City got into it. You are right. Right now the way the settlement is set up moving forward by saying that there is an opportunity to have an Aggregation Program is not there. What we are doing here tonight is giving you two options. One is to eliminate the program but if you eliminate the program I want to be right up front with you, you have to deal with the \$1.6 million. I don't want you to think that that is something that can be deferred. I have talked to the Finance Department and they told me that there is no way of spreading that out over multi-years and it is going to be a hit in this budget year, FY01.

Alderman Cashin replied it is the Finance Department that originally recommended this.

Alderman Gatsas stated in defense of the Aggregation Program I think when this program first started nobody anticipated rates going to 8 cents per kilowatt-hour. If anybody thought that, this program never would have started. This settlement agreement obviously, because of where the rates are now, we have the ability to keep Public Service generating power at 4.4 cents and not only is the Aggregation Program throughout the state not available but the open competition is not available because there is no place for anybody to buy power cheaper than 4.4 cents. That is why we are where we are today, not because of anything that anybody said wasn't going to work. Now if the price of power was still at 4.4 cents and not 8 cents, the Aggregation Program that we would have would be a winner for the City. Now that is nothing other than fate. In defense of it and I am not looking at it I am just saying that we were in the right road, just in a bad storm.

Alderman Cashin replied I was here when this was presented and believe me there were many of us here at the time who didn't think it was going to fly. We were given some real bad information. Unfortunately, Alderman, you weren't here at the time.

Alderman Gatsas stated I don't believe, Alderman, and no disrespect to you but I don't believe that anybody who presented the program to you had the ability to look in a crystal ball and understand that the rates were going to be 8 cents. If they had that, you wouldn't be here.

Mayor Baines replied I think the intervener status is probably the thing that grates at people the most because of the amount of money we invest in that.

Alderman Gatsas responded but without taking that status you wouldn't have been able to be an aggregate.

Mr. Thomas stated we could have still aggregated Manchester's and Nashua's power base. I think there are two roads we went down. One was to be an active intervener in the settlement process and the other was to aggregate our power base. I think those were done separately.

Ms. Parsons stated the only thing I would add to that is that we moved that legislation so that we would be in a position to be able to be an aggregator.

Mayor Baines stated that is an issue that we could debate until the cows come home. There are a lot of people who think that this was absolutely the wrong thing to do. Again, that was then and this is now. We have to figure out how to get out of this situation with the least damage to the taxpayers of this community. I think that is where we are at right now. Frank has presented some proposals that we need to look at. Finance needs to analyze it a little bit before we come to any final conclusion.

Alderman Shea stated with all due respect to Tina, she knows that I was one of the more serious critics and I felt from the very beginning that we weren't on solid ground, however, regardless of that fact we are where we are today. I mean no disrespect. I think you worked very hard in trying to do what was proper and right but you can't put a round circle in a square, which is what we were trying to do here.

Alderman O'Neil stated I am going to go back to my earlier comments and call it a night myself. I don't...I am willing to get over Aggregation. It didn't work and we spent a majority of the money on consultants and lawyers but let's move forward. I think we have two and I will say this again, long time, dedicated assets to the City of Manchester in Tina Parsons and Bill Prive. Let's use their expertise in the best interest of the City. Let's stop calling it Aggregation. Call it energy services or something else and let them work on what Frank has suggested has to be done. Frank, am I correct that the GASB 34 has to be done?

Mr. Thomas replied yes.

Alderman O'Neil stated that has to be done and I don't know if this opportunity didn't come up how Frank would have addressed that within his department. Let's bring some closure and let's move forward.

Alderman Cashin stated that is fine. Don't we have to reevaluate these jobs? Tina is here and I apologize for this but if you evaluate the jobs are the jobs worth what they are being paid today and if they are not then we ought to look at those?

Alderman O'Neil replied that is fine but let's move forward and let's start to phase out to get out of this program.

Mayor Baines responded I agree. Do we have to do anything tonight, Carol?

Deputy Clerk Johnson stated my suggestion would be to take a motion to table this resolution.

On motion of Alderman Shea, duly seconded by Alderman Thibault, it was voted to table the appropriating resolution.

There being no further business, on motion of Alderman Pinard, duly seconded by Alderman Cashin, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee